



Washington, D.C. 20505

151 (2)

DIRECTORATE OF INTELLIGENCE

2 March 1984

MEMORANDUM FOR: Mr. David Curry
Room 4134
Treasury Department

25X1

FROM : 
Office of European Analysis
Economic Issues Branch

SUBJECT : Further Oil-Supply Disruption Scenarios

Per your telephone request of 1 March 1984, I used the Linked Policy Impact Model to address the impact of various oil-price rises on the OECD in 1984. In these five scenarios, the average oil price rises from \$29 to \$41, \$44, \$50, \$60, and \$65 respectively. As you suggested, the OPEC import coefficient is adjusted from 0.4 to 0.44. All other assumptions are as described in my memo of 1 February 1984.

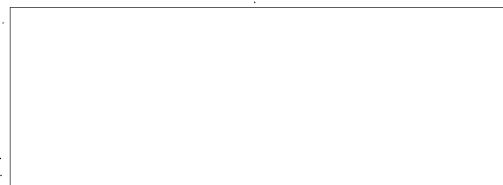
25X1



EUR M 84-10036

Attachments: Tables

25X1



CONFIDENTIAL

CONFIDENTIAL

Table 1

OIL PRICE RISES TO \$41

DEVIATIONS FROM BASELINE

1984

	REAL GDP GROWTH	BALANCE OF PAYMENTS	INFLATION RATE: CPD	UNEMPLOYMENT RATE
US	-1.8	-13.9	+2.8	+0.4
CANADA	-1.0	-0.8	+0.9	+0.2
JAPAN	-0.6	-18.2	+1.5	+0.1
UK	+0.0	+3.2	+0.6	-0.0
FRANCE	-0.8	-4.0	+1.4	+0.3
GERMANY	-0.3	-1.0	+2.0	+0.1
ITALY	-1.1	-4.2	+1.9	+0.1
SDCS*	-0.2	-1.7	+2.0	+0.1
OECD	-0.9	-40.7	+2.0	+0.2

*Smaller developed countries

CONFIDENTIAL

CONFIDENTIAL

Table 2

OIL PRICE RISES TO \$44

DEVIATIONS FROM BASELINE

1984

	REAL GDP GROWTH	BALANCE OF PAYMENTS	INFLATION RATE: CPD	UNEMPLOYMENT RATE
US	-2.2	-17.0	+3.4	+0.5
CANADA	-1.2	-1.0	+1.2	+0.2
JAPAN	-0.7	-22.6	+1.9	+0.2
UK	+0.0	+4.0	+0.8	-0.0
FRANCE	-1.0	-5.0	+1.8	+0.3
GERMANY	-0.4	-1.3	+2.5	+0.2
ITALY	-1.4	-5.2	+2.4	+0.1
SDCS	-0.3	-1.9	+2.5	+0.1
OECD	-1.1	-50.0	+2.5	+0.2

Table 3

OIL PRICE RISES TO \$50

DEVIATIONS FROM BASELINE

1984

	REAL GDP GROWTH	BALANCE OF PAYMENTS	INFLATION RATE: CPD	UNEMPLOYMENT RATE
US	-3.0	-22.6	+4.6	+0.7
CANADA	-1.7	-1.3	+1.8	+0.3
JAPAN	-1.0	-31.3	+2.6	+0.2
UK	+0.0	+5.7	+1.1	+0.0
FRANCE	-1.4	-7.0	+2.5	+0.5
GERMANY	-0.5	-2.0	+3.3	+0.2
ITALY	-2.0	-7.2	+3.3	+0.1
SDCS	-0.4	-2.1	+3.4	+0.1
OECD	-1.6	-67.9	+3.4	+0.3

CONFIDENTIAL

CONFIDENTIAL

Table 4

OIL PRICE RISES TO \$60

DEVIATIONS FROM BASELINE

1984

	REAL GDP GROWTH	BALANCE OF PAYMENTS	INFLATION RATE: CPD	UNEMPLOYMENT RATE
US	-4.3	-30.5	+6.5	+1.0
CANADA	-2.6	-1.9	+3.0	+0.5
JAPAN	-1.6	-45.6	+3.8	+0.4
UK	-0.0	+8.5	+1.6	+0.0
FRANCE	-2.2	-10.3	+3.6	+0.7
GERMANY	-0.8	-3.2	+4.7	+0.4
ITALY	-3.0	-10.4	+4.9	+0.2
SDCS	-0.6	-1.9	+4.8	+0.1
OECD	-2.3	-95.2	+4.9	+0.5

Table 5

OIL PRICE RISES TO \$65

DEVIATIONS FROM BASELINE

1984

	REAL GDP GROWTH	BALANCE OF PAYMENTS	INFLATION RATE: CPD	UNEMPLOYMENT RATE
US	-4.9	-33.8	+7.4	+1.2
CANADA	-3.0	-2.1	+3.6	+0.5
JAPAN	-1.9	-52.6	+4.4	+0.5
UK	-0.1	+9.9	+1.8	+0.0
FRANCE	-2.6	-11.9	+4.1	+0.9
GERMANY	-0.9	-3.8	+5.3	+0.4
ITALY	-3.5	-11.9	+5.6	+0.2
SDCS	-0.8	-1.6	+5.4	+0.2
OECD	-2.7	-107.8	+5.6	+0.5

CONFIDENTIAL

Distribution: Further Oil-Supply Disruption Scenarios

Orig. - David Curry

1 - OGI/ECD/EA

4 - IMC/CB

1 - D/EURA

2 - EURA Prod.

1 - EURA/EI

2 - EURA/EI/EI

1 - Author

DDI/EURA/EI/EI [redacted] 2March84)

25X1

CONFIDENTIAL